

# NAVAL POSTGRADUATE SCHOOL MONTEREY, CALIFORNIA



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## THESIS

**ANALYSIS OF TRANSFERRING U.S. NAVY PERRY  
CLASS FRIGATES TO TURKEY AND ISSUES  
RAISED DURING THE PROCESS**

by

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March 1997

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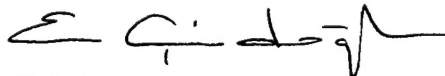
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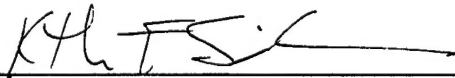


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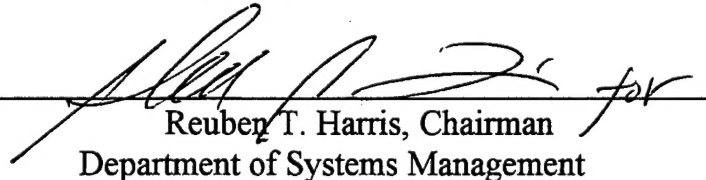
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## ABSTRACT

This thesis analyzes the process used to transfer U.S. Navy Perry class frigates to Turkey and issues raised during this transfer process. Up to the final step, this transfer was representative of most U.S. military equipment transfers. The relations between allied countries depend heavily on the mutual support they provide to each other. Strong relations create strong mutual support, or vice versa.

Although the FMS/FML process is a very effective process for ship transfers, political issues must never be underestimated. As the Cold War came to an end, the mutual threat had changed, affecting alliances and rephrasing the causes of their existence. The effect of this change has caused more domestic oriented policies to predominate within a country's political system.

Although this policy change didn't cause procedural changes in regulations and rules, the application of the decisions given and approved by the highest executive and legislative branch authorities are now more subjective and seem unpredictable. Long term and continuous repetition of this behavior could cause negative impact on alliances.



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## I. INTRODUCTION

### A. BACKGROUND

As an expected outcome of global polarization and political conflicts raised between individual countries or pacts of different views, arms sales have become increasingly important during the last century. As the importance of deterrence has been extended beyond the borders of the countries and pacts have become important organizations to counter the threat, especially after the World War II, the rate of arming has dramatically increased throughout the world. Besides the requirement for providing deterrence, exchange of arms has become an important political tool for international affairs. While arms sales increase the receiving countries national defense, it also decreases the risk of a possible conflict. At the same time, closer relations are developed between the trading countries. Arms sales buy influence and unseen leverage, which is accumulated for use at critical times when the supplier nation needs support from foreign nations.<sup>1</sup>

Although the cold war has come to an end, the unstabilized governments of those countries in the process of democratization and regional conflicts caused by nationalism, racism or religious reasons are keeping the demand high for more sophisticated weapons. This demand is causing continuing scientific and technological innovations to produce more destructive, more accurate and more numerous weapons systems. Although the developing countries do not have sufficient economic resources for the establishment of an advanced domestic arms industry, they still require technologically advanced weapon systems for self defense purposes. Although there are numerous agreements to decrease nuclear arms stockpiles between the super powers, conventional arms transfers continue to

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<sup>1</sup> A. Karaahmet, An Appraisal of U.S. Security Assistance to Turkey Between 1950 and 1992, p. 1, Master's Thesis, Naval Postgraduate School, Monterey, CA, June 1994.

play an increasingly important part in promoting international and regional stability while enhancing the security of allies. Thus, countries will continue to purchase required military weaponry from international sources.<sup>2</sup>

Beginning with World War I the United States became one of the major arms suppliers for its allies. First, the U.S. provided arms on a "grant aid" basis. Later, when the recipient countries made significant economic progress, "sales" replaced "grant aid." Subsequent to the end of the cold war and the formal dissolution of the U.S.S.R., Russia's arms agreements lessened, while the U.S. remained the undisputed leader in arms sales to the world. Today, the U.S. accounts for 38% of world arms exports. While the U.S. is the most prolific exporter of arms, arms production outside the U.S. especially in Western Europe and developing countries is increasing both in scope and sophistication. Also, the expansion of arms production in the developing countries since the end of the World War II has been quite extensive.

Currently, the transfer of military weaponry from the U.S. to other countries is done in three basic ways: grants, loans, and sales (military or commercial). To implement such world-wide transfers via the Sales Program, the United States developed the concept of "Security Assistance." This covers a broad range of programs which employ funding and the legal authority to provide defense articles and training, economic support, and peacekeeping assistance to key friends and allies. In order to monitor these programs, the United States has established subcommittees within Congress and organizations within the Departments of Defense and State.<sup>3</sup>

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<sup>2</sup> O. Saruhan, An Analysis Of Foreign Military Sales Procedures, p. 2, Master's Thesis, Naval Postgraduate School, Monterey, CA, 1989.

<sup>3</sup> A. Karaahmet, p. 3.

U.S. security assistance programs assisted Turkey today with modernizing its armed forces. A decade ago, Turkey embarked upon an intensive program to modernize its armed forces to bring them in line with emerging technologies and NATO requirements. The political and military leadership of Turkey has made it abundantly clear that they place a high priority on ensuring that the Turkish Armed Forces remain completely capable and fully prepared to carry out its national defense mission, its NATO missions, and any future requests by the United Nations in its many peace-keeping roles. Turkey is currently working on a program to transfer Perry Class Frigates to the Turkish Navy to modernize it under the security assistance umbrella of the U.S.

## **B. THESIS OBJECTIVE**

The objective of this thesis is to describe and analyze the Foreign Military Sales/Lease (FMS/FML) procurement process and policy for the transfer of U.S. naval vessels to foreign governments under the "Security Assistance" program. The focus will be on the FMS process and the reasons which caused the delay during the transfer process of three Perry Class Frigates to Turkey. The research and analysis involved in this thesis will contribute to the knowledge needed by foreign officers who will work in conjunction with U.S. officials engaged in the transfers of U.S. naval vessels in the future.

## **C. RESEARCH QUESTIONS**

### **1. Primary**

What are the reasons that caused at least, one year delay in the transfer of the three Perry Class Frigates to Turkey?

### **2. Secondary**

- a. What is the Security Assistance Program and what are the current FMS/FML ship transfer methods and procedures used for the transfer of ex-U.S. Navy vessels to friendly and allied countries?

- b. What are the congressional constraints on the FMS/FML transfer process and what are the issues between legislative and executive authorities?
- c. How was the transfer of the three Perry Class frigates to Turkey initiated and how did the process evolve?

#### **D. SCOPE AND LIMITATION OF RESEARCH**

The scope of this thesis is limited to the United States Foreign Military Sales/Lease (FMS/FML) Policy for the transfer of naval vessels to foreign governments; the U.S. agencies concerned with the transfer and the procedures that are used in the process. This thesis identifies causes for the delay during the transfer of three Perry Class Frigates to Turkey.

#### **E. ORGANIZATION OF STUDY**

Chapter I discusses the background and objectives of the thesis.

Chapter II introduces the concept of Security Assistance and explains the history of the U.S. system for arms sales approval.

Chapter III discusses the policies and procedures for FMS/FML of U.S. naval vessels to foreign governments, using the transfer decision of three Perry Class Frigates to Turkey as an example.

Chapter IV presents an analysis of the current FMS procedures with respect to the transfer of the Perry Class Frigates to Turkey. Both problematic issues concerning the transfer and lessons learned from the procurement process are discussed.

Chapter V concludes the thesis and presents recommendations.

## **II. CURRENT FMS POLICIES AND PROCEDURES FOR THE TRANSFER OF U.S. NAVY VESSELS TO FOREIGN COUNTRIES**

### **A. HISTORY**

Weapon sales and arms transfers among all countries of the world have increased and reached new levels since the end of World War II and during the cold war era. Arms sales have become an important business and have an important impact on the international relations. It was after World War II that, Soviet diplomatic pressure became a concern for President Truman in the United States and he felt the spread of communism was a threat to Anatolia, the Turkish Straits, Balkans and the Persian Gulf. As a result of his doctrine, Truman proposed to Congress a military aid package for Turkey. In his address to Congress, President Truman stated:

I believe that it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressure. I believe that we must assist free peoples to work out their own destinies in their own way. I believe that our help should be primarily through economic and financial aid which is essential to economic stability and orderly political processes.<sup>4</sup>

The Foreign Military Assistance Program was established by the passage of this legislation and it also served as a basis for the creation of the Foreign Military Sales Program. In 1948, Secretary of State George Marshall proposed heavy American aid to help Europe recover from the demolished economy caused by World War II. Congress accepted the request and established the European Recovery Plan (ERP), or Marshall Plan, offering assistance to 16 nations in Western Europe. This plan, however, did not include Turkey.<sup>5</sup>

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<sup>4</sup> David J. Schumacher, The Management of Security Assistance, p. 14, The Defense Institute of Security Assistance Management, Dayton, OH, 1994.

<sup>5</sup> Ibid. p. 15.



In 1948, the North Atlantic Treaty Organization (NATO) was established. This made the Security Assistance Programs even more important. Because NATO was created to be a bulwark against communist expansion in Western Europe, its existence forced allies to increase assistance to member nations, including Turkey.

Security Assistance increased during the Eisenhower years. While he was President, Eisenhower initiated a request regarding assistance to some Middle Eastern nations against external armed aggression from a communist threat. Congress approved Eisenhower's proposal by joint resolution on March 9, 1957. Eisenhower's belief was that the loss of the Middle East to "international communism" would constitute a severe and fatal blow to American interests. This policy continued through the mid-1960's, with allies receiving approximately 56 percent of all American arms via the Military Assistance Program.<sup>6</sup>

On October 22, 1968, Congress enacted the Foreign Military Sales Act, which consolidated into a single act all legislation to authorize sales of arms by the United States to allies and friendly foreign countries. In initiating this legislation, Congress declared that the ultimate goal of the United States was a world which was free from war and the dangers of arms expansion. Furthermore, United States policy encouraged regional arms control and discouraged arms races. This legislation also shifted emphasis from the Military Assistance Program to Foreign Military Sales.

Foreign assistance and sales to Europe focused on Turkey, Greece, and Portugal in support of NATO and a U.S. defense agreement with Spain for use of Spanish bases. Turkey also received sizable financial support in recognition of its continuing economic needs.

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<sup>6</sup>Ibid. p. 16.

President Reagan's policy assumed that arms transfers could help deter aggression from neighboring countries. Under this policy, each request for arms was reviewed on a case-by-case basis, primarily in terms of its contribution to deterrence and defense.<sup>7</sup>

The arms transfer and overall security assistance policies of the Bush Administration were a continuation of those which evolved during the Reagan Presidency. However, the following events were but a few that occurred throughout the world which had a significant impact on U.S. foreign policy and security assistance.

1. The collapse of the Soviet Union in December 1989 and the subsequent emergence of democracy in most former Warsaw Pact countries;
2. The Iraqi invasion of Kuwait in August 1990, followed by Operation Desert Storm in January/February 1991;
3. The worldwide economic recession of 1991 and 1992; and,
4. The Middle East peace talks, resulting in the establishment of Palestine as a country in 1996.

Despite these significant world problems, the Clinton Administration's initial emphasis was on rebuilding the U.S. economy and establishing a predominantly domestic agenda. In terms of foreign policy and national security interests, there was little departure from the previously stated goals of building democracy, promoting and maintaining peace, promoting economic growth, sustainable development, addressing global problems, and meeting urgent humanitarian needs.

With the end of the Cold War and the disintegration of the Soviet Union, the focus shifted toward attaining peace dividends in the form of reduced defense budgets and the rapid downsizing of the U.S. military force structure. The savings

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<sup>7</sup>Ibid. p. 25.

gained would help to fund certain domestic programs such as reducing the budget deficit and funding a health care reform package. As had been the trend in previous years, the amount of money funded for major security assistance programs declined during the Clinton administration. Congress significantly reduced the Foreign Military Financing Program (FMFP), and encouraged embassies to actively assist U.S. marketing efforts overseas.

Although the U.S. has continued to be the foremost arms exporter to the world, FMS support has fluctuated depending on the administration in power.<sup>8</sup> However, FMS has been, and still is, one of the most important security assistance programs used by Turkey to modernize and maintain its armed forces. Turkey was appropriated \$358 million of Foreign Military Financing in 1996, from a total appropriation of \$12.1 billion foreign aid program for FY1996.

## **B. U.S. SECURITY ASSISTANCE PROGRAMS**

U.S. Security Assistance covers a broad range of programs which employ funding and the legal authority to provide defense equipment, training, economic support, and peace-keeping assistance to key friends and allies. The definition of "Security Assistance" is:

Groups of programs authorized by the Foreign Assistance Act of 1961, as amended, and the Arms Export Control Act of 1976, as amended, and other related statutes by which the U.S. provides defense articles, military training, and other defense related services, by grant, loan, credit, or cash sales in the furtherance of national policies and objectives.<sup>9</sup>

In general, the U.S. offers security assistance to strengthen the national security of friendly nations, and to support existing or prospective democratic

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<sup>8</sup>U.S. Arms Control and Disarmament Agency, World Military Expenditures and Arms Transfers (1991-1992), p. 13, Government Printing Office, Washington, DC, March 1994.

<sup>9</sup>U.S. Department of Defense, Joint Chief of Staff Publication, Dictionary of Military and Associated Terms, p. 327, Washington, DC, Government Printing Office, 1987.

institutions and market economies. Since World War II, it has become an institutionalized and continuing program used to advance U.S. interests in a global environment.

It's not just a short range program; rather, it's a continuing program, the components and magnitude of which change each year due to U.S. national interests and foreign policy objectives. With the President's Congressional Presentation Document (CPD) for Security Assistance (SA) programs, these objectives are:

1. Building democracy through support of free and fair electives, respect for human rights, the rule of law and economic opportunity.
2. Promoting and maintaining peace by supporting peacekeeping efforts, assisting friendly and allied nations, insisting upon verifiable arms control and nonproliferation of weapons of mass destruction, and fostering sustained peaceful development.
3. Promoting economic growth and sustainable development by fostering free and open market, trade liberalization, deregulation, privatization, and market based structural reform.
4. Addressing global problems of environmental deregulation, narcotics trafficking, terrorism and the other criminal activities by increasing cooperation with allies, friends, and traditional adversaries.
5. Meeting urgent humanitarian needs by supporting private and governmental efforts, and by promoting economic reform and resolution of local conflicts.<sup>10</sup>

U.S. Security Assistance Programs are comprised of the following seven major components.<sup>11</sup> All procurement of military equipment from the United

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<sup>10</sup>Defense Institute of Security Assistance Management, The Management of Security Assistance, p. 5, Wright-Patterson AFB, OH, Defense Institute of Security Assistance Management, 1994.

<sup>11</sup>David J. Schumacher, p. 41.

States Government to other nations falls within the realm of one of the seven SA programs.<sup>12</sup>

1. Foreign Military Sales (FMS) and Foreign Military Construction Program - eligible governments purchase defense articles, services and training from the U.S. Government.
2. Foreign Military Sales Financing Program - credits and loan repayment guarantees are provided for the direct procurement of arms.
3. Commercial Sales - sales by U.S. firms directly to foreign buyers.
4. International Military Education and Training Program (IMET) - military education and training aid given in the United States or at overseas facilities on a grant aid basis.
5. Economic Support Fund - provides loans for economic support and technical assistance development projects.
6. Peacekeeping - operations providing funds for international security forces such as the United Nations.
7. Nonproliferation and Disarmament Fund - provides funds for the nonproliferation of weapons of mass destruction. Aimed at assisting the republics of the former Soviet Union in the dismantling and destruction of their nuclear weapons.

### **C. THE FMS PROCESS**

The U.S. Security Assistance Program serves as a fundamental instrument for achieving U.S. foreign policy objectives. Before a transfer of any U.S. defense articles or services can be made to any foreign country or international organization, the President must formally find that such assistance will strengthen U.S. security and promote world peace.<sup>13</sup>

In order that U.S. security assistance plans may complement a country's own military plans and budgets, there should be ongoing consultations during the

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<sup>12</sup>Defense Institute of Security Assistance Management, The Management of Security Assistance, p. 36, Wright-Patterson AFB, Ohio: Defense Institute of Security Assistance Management, 14th Edition, 1994.

<sup>13</sup>International Security Assistance and Arms Export Control Act (AECA) of 1996, section 3.

planning process between U.S. and host country representatives. Such discussions are conducted primarily between U.S. Security Assistance Office (SAO) personnel and Ministry of Defense officials in the host country. These discussions, covering material acquisition programs, training plans, and related security assistance matters, generally provide the basic input phase of the FMS sales process.<sup>14</sup>

### **1. Letter of Request (LOR)**

Although the process for negotiating and implementing an FMS program can vary widely, depending to the nature of a country's request, there are guidelines to be followed.

Determination of the U.S. approved channels of submission for the Letter of Request (LOR) is the first step in this process. A LOR is a request from an eligible FMS participant country for the purchase of U.S. defense articles and services. The channels used are based upon whether the request is for "Significant Military Equipment (SME)" or for "All other FMS (non-SME)" requirements. SME are items designated in the International Traffic in Arms Regulation that warrant special export controls because of their capacity for substantial military utility. Requests for defense equipment (any item of Significant Military Equipment having a non-recurring research and development cost of more than \$50 million or a total production cost of more than \$200 million) are treated as requests for SME. Figure 1 diagrams the two channels of submission for an LOR.<sup>15</sup>

Before any further action is taken on the LOR, it must be validated to insure the potential customer is eligible for FMS, that the article or service sought may be sold.

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<sup>14</sup>David Schumacher, p. 147.

<sup>15</sup>Ibid. p. 149.

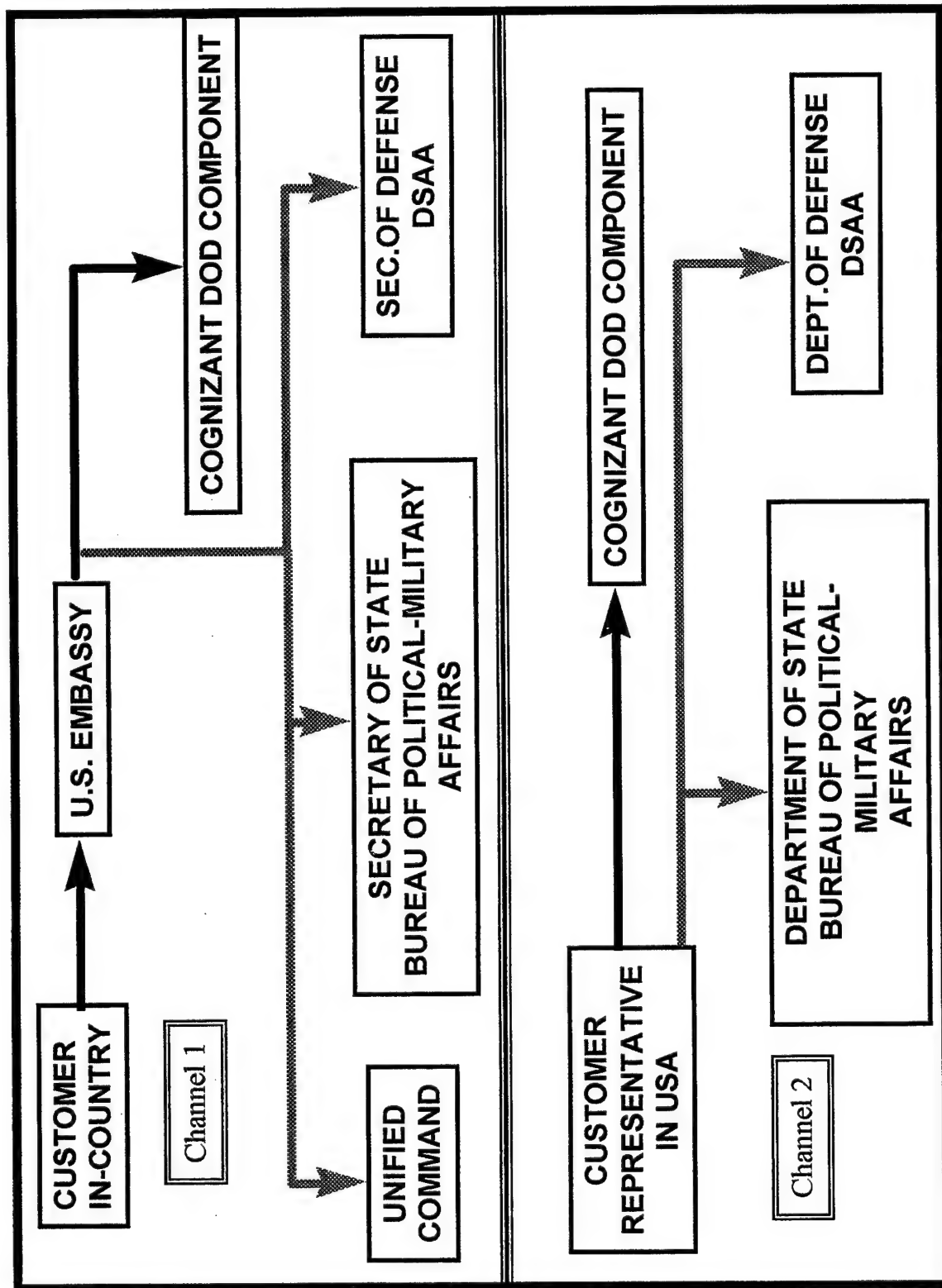


Figure 1. Two Channels of Request for Significant Military Equipment (SME)

## **2. Requests for SME**

Requests to purchase SME which originate in-country should be transmitted by the U.S. Embassy to the SAO. These requests must be addressed to the cognizant DoD component. Requests to purchase SME which originate with purchasing country representatives in the United States should also be addressed to the cognizant Department of Defense (DoD).<sup>16</sup> The U.S. Embassy provides an assessment of the proposed sale to include a statement of the reason the nation desires the weapon systems and the anticipated reaction of neighboring nations.

## **3. All Other FMS (non-SME)**

Requests originating in the purchasing country should be transmitted either by the customer country's authorized representative or the DoD element of the U.S. country team directly to the cognizant DoD component. Requests originated by foreign representatives of the customer country in the U.S. should be sent directly to the cognizant DoD component.

## **D. U.S. GOVERNMENT ORGANIZATIONS**

The U.S. Security Assistance program has its roots in U.S. public laws which contain security assistance authorizations, appropriations, restrictions and reporting requirements. The roles of the three branches of the U.S. Federal Government with respect to security assistance are as follows;

### **1. Executive Branch**

The Constitution of the U.S. establishes the President as the nation's chief executive and, it is the President who presents the recommended annual U.S. assistance program and budget to the Congress for its consideration and execution once it becomes law.

As the chief executive, the President is responsible for all of the activities of the Executive Branch. While carrying out all these activities, the President has

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<sup>16</sup>Ibid. p. 147.



numerous assistants, cabinet officers, and other subordinate officials to oversee the conduct of the U.S. security assistance program. Figure 2 shows the U.S. Government organization for Security Assistance.<sup>17</sup>

## **2. Legislative Branch**

The Congress of the U.S., as provided by the U.S. Constitution, is vested with all legislative powers. In terms of security assistance, congressional power and influence are exerted in several ways:

1. Development, consideration, and action on legislation to establish or amend basic security assistance authorization acts.
2. Enactment of appropriations acts.
3. Joint Continuing Resolutions.
4. Conduct of hearings and investigations.
5. Ratification of treaties which may have security assistance implications.<sup>18</sup>

The work of preparing and receiving legislation is performed largely by committees (and their staffs) of both Houses of Congress. The primary committees of Congress with security assistance legislation responsibility are:

### ***a. Authorizations***

House of Representatives, Committee on Foreign Relations; and, Senate Committee on Foreign Relations.

### ***b. Appropriations***

House of Representatives, Committee on Appropriations (Subcommittee on Foreign Operations); and, Senate Committee on Appropriations (Subcommittee on Foreign Operations).

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<sup>17</sup>Defense Institute of Security Assistance Management, The Management of Security Assistance, p. 76, Wright-Patterson AFB, Ohio: Defense Institute of Security Assistance Management, 14th Edition, 1994.

<sup>18</sup>Ibid. p. 75.

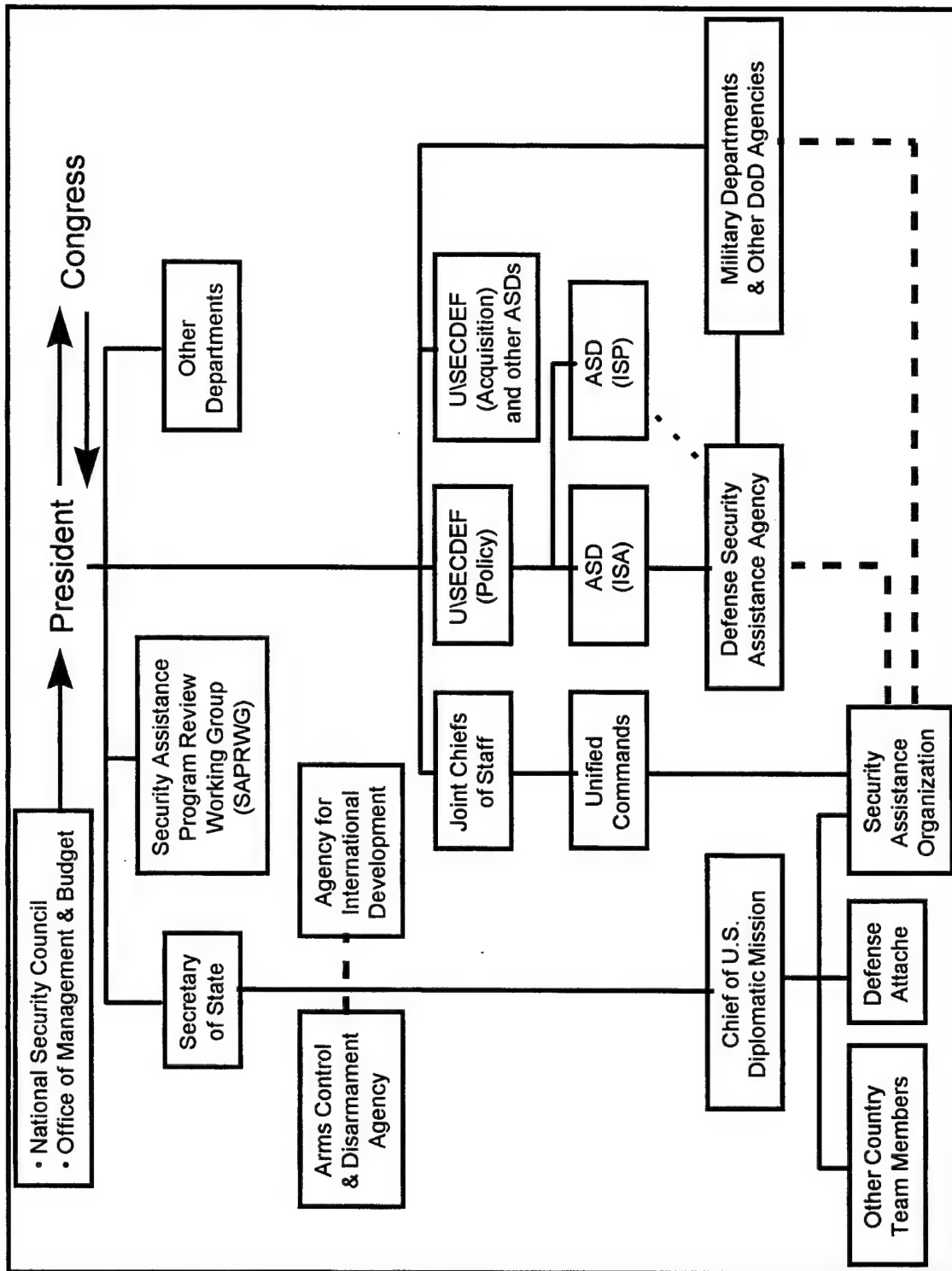


Figure 2. United States Government Organization for Security Assistance

*c. Other*

At times, other committees such as those on Armed Services, Banking, Finance, and Urban Affairs might also become involved with Security Assistance implications.

**3. Judicial Branch**

Normally, the courts have had limited involvement in the security assistance activities. However, statutory "legislative veto" gives the Supreme Court of the U.S. the power of invalidating clauses of the Arms Export Control Act (AECA).

**E. SECURITY ASSISTANCE (SA) RELATED TO AUTHORIZATION AND APPROPRIATION ACTS**

Security Assistance (SA) programs must be authorized by the Government for funding and the funds must be appropriated. Those authorization and appropriation acts related with SA are as follows;

**1. Authorization Acts**

The main laws related with U.S. SA programs are: (1) the Foreign Assistance Act (FAA) of 1961 as amended, and (2) the Arms Export Control Act (AECA) as amended.

*a. The Foreign Assistance Act (FAA)*

FAA authorizes legislation for a wide variety of foreign assistance programs including IMET, overseas assistance program management, and transfer of excess defense articles (EDA).

*b. The Arms Export Control Act (AECA)*

This act was known as the Foreign Military Sales Act of 1968 (FMSA). The title is changed to AECA by the International Security Assistance and Arms Export Control Act of 1976. The AECA provides the regulations for the conduct of FMS/FML funding.

## **2. Appropriations Act**

Appropriations for Security Assistance are included in the annual "Foreign Operations, Export Financing, and Related Programs Appropriations Act" for each year.

## **F. CONGRESSIONAL NOTIFICATION**

By the AECA, the President is required to notify the Congress of certain defense trade export applications prior to their approval. The FMS and commercial export sale review provisions are shown in Figure 3.<sup>19</sup>

### **1. Foreign Military Sales/Leases**

The AECA requires that, before issuing a letter of offer to sell or lease agreement to:

1. Lease defense articles or services for \$50 million or more, or
2. Any design and construction services for \$200 million or more, or
3. Major defense equipment for \$14 million or more,

The President must submit a certification to the Congress. The LOA or lease agreement can be issued by the Government, if the Congress does not adopt an objection within 30 calendar days after receiving such certification. However, if an imminent requirement, in the national security interest of the U.S., exists for the lease the Government might start the process without waiting 30 days and the President states this requirement in his certification.<sup>20</sup>

In order to provide the Congress with sufficient time to review such cases, the Defense Security Assistance Agency (DSAA) has agreed to provide the Congress with 20 days advance notification of such cases prior to the formal submission of the 30 day statutory notification.<sup>21</sup>

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<sup>19</sup>Defense Institute of Security Assistance Management, The Management of Security Assistance, p. 62, Wright-Patterson AFB, Ohio: Defense Institute of Security Assistance Management, 14th Edition, 1994.

<sup>20</sup>Public Law 94-329, June 30, 1976, section 61-64.

<sup>21</sup>U.S. Department of Defense, DoD 5101.38M Military Assistance and Sales Manual, November 1992.

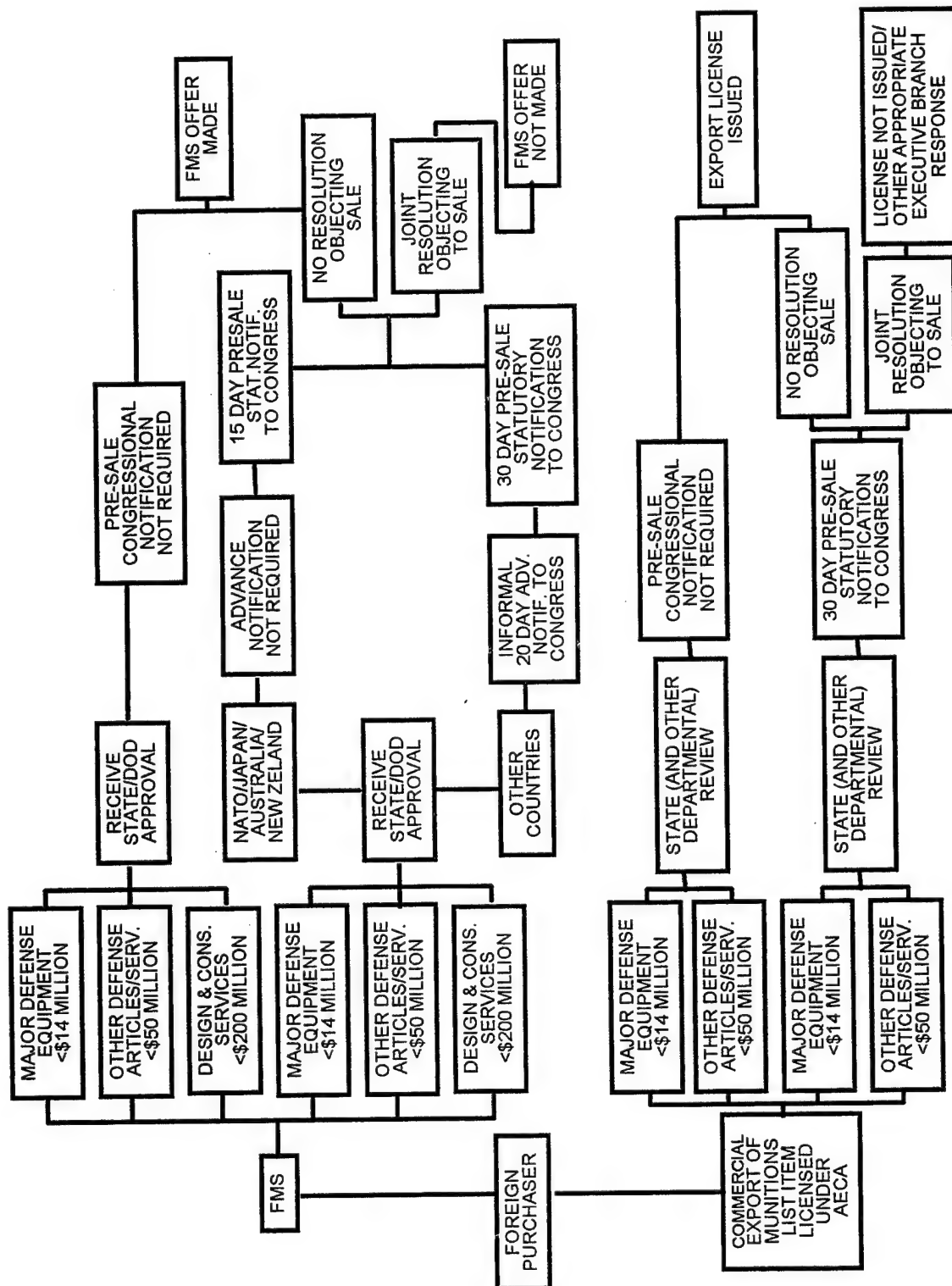


Figure 3. Flowchart of AECA Advance Sales Reporting Provisions

An exception to the above procedure exists for NATO countries, Japan, Australia, and New Zealand. The formal statutory notification period for these countries is 15 days, and the advance notification is not required.

## **2. Congressional Joint Resolutions**

The mechanism for the rejection of proposals by the legislative power is known as joint resolutions. Joint resolution is a statement of disapproval of a proposed sale, transfer, or lease, which is passed by simple majority votes in both the Senate and the House of Representatives.

Such a joint resolution must be sent to the President for review and approval. Since the President is unlikely to approve the rejection of an action which his Administration originally proposed to Congress, the President will likely veto such a joint resolution, returning it to Congress.

Unless Congress is able to override the President's veto by obtaining a two-thirds majority vote in each House in support of the original resolution of rejection, the sale, transfer, or lease will be permitted. However, if Congress can muster sufficient votes to override the President's veto, the proposed sale, transfer, or lease would not be permitted.

## **H. SUMMARY**

As the importance of deterrence has been extended beyond the borders of the countries and pacts have become important organizations to counter the threat, especially after the World War II, the rate of arming has dramatically increased throughout the world. The U.S. started the mutual partnership and cooperation in the 40's by an aid plan known as the "Marshall Plan" which is an extension of the Truman Doctrine.

Since then, the U.S. has remained the undisputed leader in arms sales and aid through the Security Assistance program. As being one of those countries

which is in close partnership and cooperation with U.S., Turkey now ranks third in a list of countries to accept aid from the Security Assistance program.

### **III. THE U.S. NAVY TRANSFER PROGRAM AND "PERRY" CLASS FRIGATE TRANSFER PROCESS TO TURKEY**

#### **A. THE U.S. NAVY SHIP TRANSFER PROGRAM**

##### **1. General**

Transfer of the U.S. Navy ships to other countries is made using the FMS Security Assistance program. This includes every type of transfer such as, sales, leases, loans and grants.

The fact is, transfer of ships to a foreign country not only strengthens mutual cooperation between the U.S. and that country, but also serves as a future economical investment for both sides.

As being one of the most expensive systems, transfer of frigate size warships is a difficult task for any country even for the U.S. Especially in 1996, where economic considerations became more important as resources in the Federal budget became more scarce for defense expenses. Because of budget constraints, the life cycle costs for ships and similar systems are being reduced. So far this has been accomplished by either using the systems beyond their normal life cycles or using similar equipment to reduce the cost of logistic support such as cost of spares, maintainability, etc. The Turkish Navy is basically composed of warships either transferred from U.S. or built in Germany/Turkey under German ship-building technology and license. Even those built under German license use U.S. weapon systems. As most of those systems are accepted as "standard" systems in NATO, most NATO countries either transfer them from the U.S. or build them under license of the U.S. companies. The concerns mentioned above drive the U.S. Navy policy for the transfer of ships.

##### **2. Ship Transfer Policies**

The transfer of U.S. Navy ships to foreign countries occur either through Foreign Military Sales (FMS) or Foreign Military Lease (FML) procedures.



Although the preferred procedure is to sell the ships, leasing of ships may also occur for national security reasons for a temporary period or if the FMS criteria couldn't be met. The policies for the cost and other aspects, such as required repairs for those ships to be transferred, training of the foreign crew, for the transfer of the ships are as follows.

*a. Cost*

As a USN policy, the transfer of ships to other nations should be no cost to the U.S. Government. So, all costs related with the transfer will be paid by the receiving country. However, the costs required for the maintenance of the ship, prior to the transfer, will be funded by the U.S. Navy's budget. This cost does not include any overhaul reactivation, modernization, repair, or non-routine maintenance (like painting of the ship) which take place after the foreign country's official request for the transfer of the ships. Funds for these or similar costs are provided by the recipient country. The costs for the delivery of the ship(s) to the foreign location including personnel, and operation costs are also receiving country's expense.

The expenses of the foreign country are showed in the Letter of Offer and Acceptance and stated to be recovered through FMS procedures.

*b. Routine and Other Than Routine Maintenance Repairs*

The routine costs of holding and maintaining a ship before the transfer of title to the foreign country are the USN's responsibility and these costs will come from U.S. Navy Appropriations.

No modernization, or non-routine repair work (which will only be for the foreign government) will be started without the notification of and, where applicable, approval of the transfer by congress. Receipt and deposit of foreign government funds and issuance of fund authorization documents to the related Naval activities, is also required before work begins. However, an exception can

occur if the foreign country accepts an FMS Case for the work and takes the risk that the transfer may not occur.

*c. The Training and Documentation*

Training of the foreign crew and required documentation will be required for safe and effective operations of the ship and its equipment. Training can not include the teaching of tactics. Tactical publications, operations plans, orders and directives are not transferred with the ship. The requirement for the tactical documentation by the foreign country is available only if authorized for release. These types of documents are provided by the Navy International Policy Office (Navy IPO) separately.

**3. The Transfer Authorities**

The main coordination authorities for all transfers of USN ships are the Office of the Secretary of Defense (SECDEF), the Secretary of the Navy (SECNAV), and the Department of State. These offices have decision authority after the satisfaction of statutory Congressional oversight requirements. Other than these coordination authorities, the main organizations which play a major role during the transfer of USN ships are mentioned below.

*a. The Navy International Programs Office (IPO)*

The Navy IPO is the organization which is responsible for ship transfer program planning, implementation, and execution. The Navy IPO works under the authority, direction, and control of the SECNAV, the Assistant Secretary of the Navy for Research, Development and Acquisition ASN(RDA), and Deputy Assistant Secretary of the Navy for International Policy DSN(IP). The Navy IPO acts as the USN primary point of contact for the representatives of the customer (foreign country) and coordinates the decisions related to the transfer plan. The authorization of the use of FMS funds are also made by the IPO.

***b. The Chief of Naval Operations (CNO)***

The disposition of ships, identification of ships to be transferred, and obtaining appropriate approval to offer ships are the main responsibilities of the CNO.

***c. Implementing Agent***

The implementing agent is the organization which;

1. Prepares the ship(s) for transfer,
2. Coordinates training,
3. Provides logistics support.

The Implementing Agent for ship transfers is either the Commander in Chief, U.S. Atlantic Fleet (CINCLANTFLT) or the Commander in Chief, U.S. Pacific Fleet (CINCPACFLT). The Commander, Naval Sea Systems Command (COMNAVSEASYS COM) is also another implementing agent for the transfer of inactive ships.

**4. Methodology of Ship Transfers**

Transfer planning is established and a transfer method is decided after the determination of some aspects and considerations. The main factors in determining which method of transfer will be used are:

1. The USN ship retirement plans,
2. The requests and requirements of the foreign country,
3. The time available.

In addition, the number and availability of foreign training needs, time required to get LOAs/funding in place, are some other events that must be considered when selecting a transfer method.

There are two basic FMS/FML ship transfer methods which are the results of common experience over the last several decades. Each of these methods has different sub-methods based on different aspects. The methods reflect the range of

service and support requirements together with the available funding. The transfer methods are;

1. Hot Ship Transfer Method,
  - a. Without an industrial availability,
  - b. With follow-on industrial availability,
2. Cold Ship Transfer Method,
  - a. As is, where is,
  - b. With minimal reactivation,
  - c. With full reactivation.

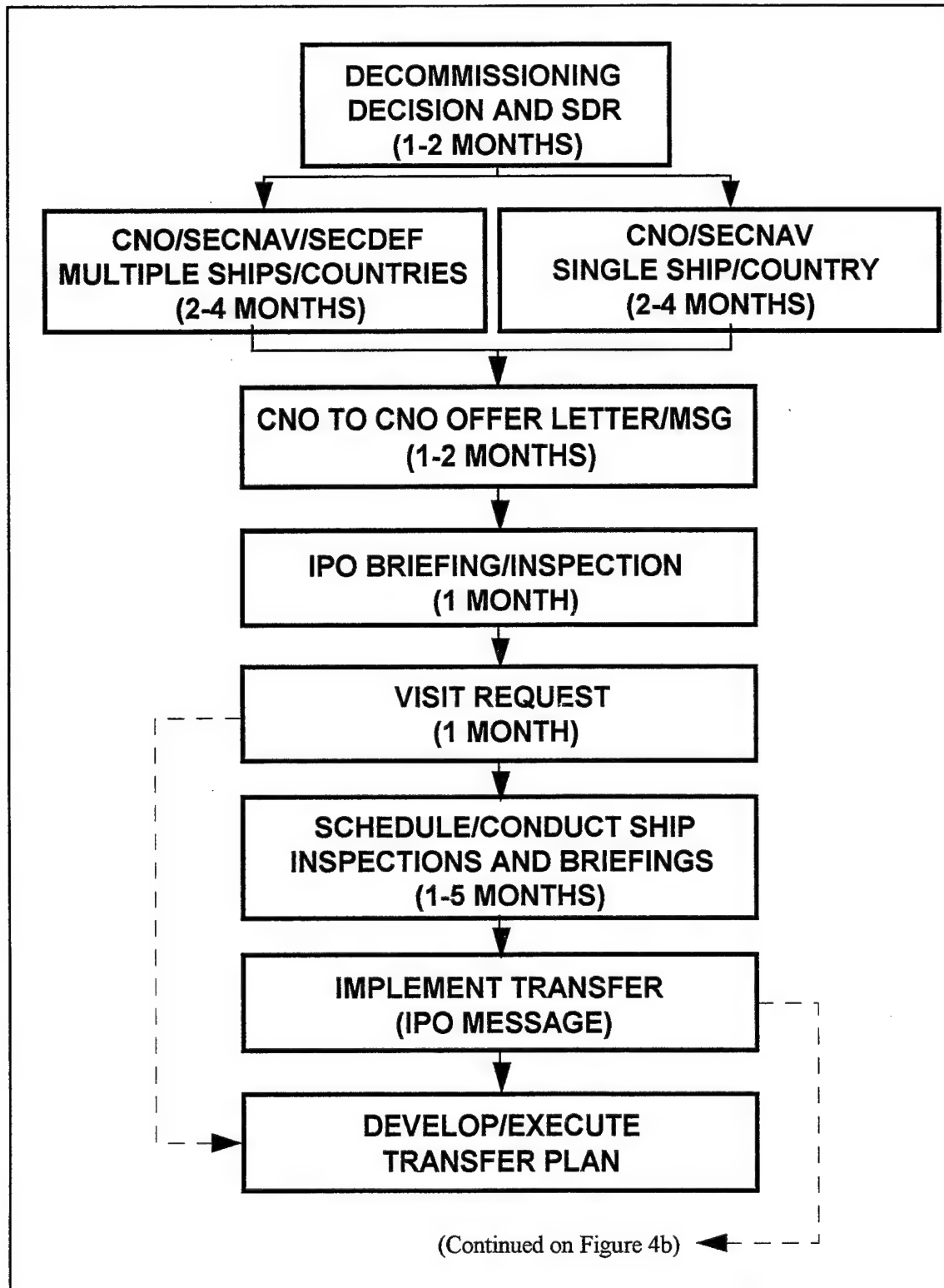
## **5. The Transfer Process**

From the initiation of the transfer to the physical transfer of the ship(s) to the foreign country, the ship transfer process requires a series of actions which take an important amount of time beside the complex procedures to be followed. The transfer requires a coordination not only between the parties but among the various U.S. governmental organizations. The planning and preparation of the ship for transfer begins way before the final authorization for the transfer. A flow chart of the ship transfer process is shown in Figures 4a and 4b.

### ***a. Ship Disposition Review (SDR)***

The first step in the ship transfer process is the decision of inactivation of excess ships in U.S. Navy inventory. An annual meeting is held to review:

1. The retention status of mobilization,
2. Ships presently headed for FMS/FML,
3. All ships scheduled for decommissioning/deactivation for the next seven fiscal years.



**Figure 4a. Transfer Process**

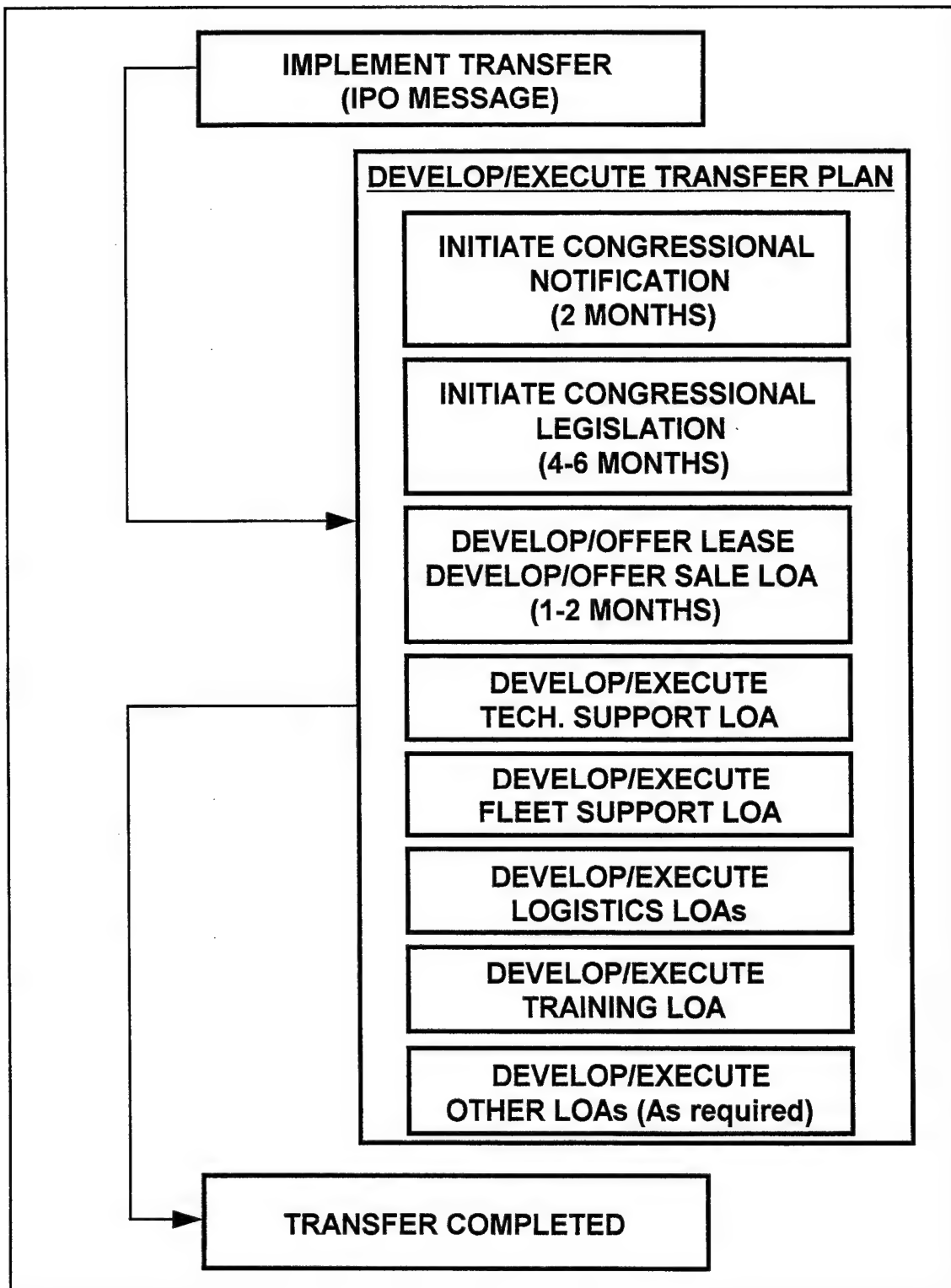


Figure 4b. Transfer Process (Cont.)

The SDR will determine:

1. Which of these ships should remain or be scheduled for retention as mobilization assets,
2. Which should be made available for FMS or FML,
3. Which should be scrapped. The SDR results go to CNO for approval.<sup>22</sup>

***b. The Ship Offer Process***

Existing foreign country requests for ship transfers from the U.S. Navy are processed after the approval of the SDR by the CNO. Navy IPO and OPNAV are the two responsible organizations to initiate the process of offering ships to foreign countries.

(1) **Foreign Government Requests.** These requests are either in the form of formal written documents to the U.S. Government or informal verbal exchanges occurring during the official visits of high level authorities.

(2) **Ship Transfer Offers Approval.** The document used to obtain approval of which countries will be offered specific ships is drafted and coordinated by OPNAV. It is a memorandum to SECNAV with an accompanying memo for SECNAV to sign out to the SECDEF.

(3) **CNO to CNO Formal Ship Offer.** Upon approval by SECDEF to extend offers, OPNAV will draft a letter to the foreign country CNO (or equivalent), in coordination with the Navy IPO. This letter will be signed by CNO and forwarded through Security Assistance channels. This letter normally includes the following points related with the offer:

1. Specification of the ships offered.
2. States that the transfer is subject to congressional approval.
3. States that the Navy IPO will contact their government representative to provide background information, set up a ship inspection visit, host a conference to discuss transfer details and discuss costs.

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<sup>22</sup>Department of the Navy, OPNAVIST 4770.SF, May 29, 1991.

(4) **Navy IPO Letter to Inspect Ships and Receive Transfer Briefing.** Following the offer, the Navy IPO works with appropriate systems command organizations to develop a schedule that will allow inspections of ships and follow up formal technical briefings in an orderly fashion over the next 6-8 months. After the Navy IPO informally discusses a proposed schedule with the local foreign Embassy or their formal authorities, a Letter of Invitation (LOI) is submitted to the foreign country. The ship visit information is then sent to the foreign office considered most appropriate by the Navy IPO to facilitate the process, with copies to other key organizations.

After acceptance of the visit/briefing offer by the foreign government, the Navy IPO sends a message to the various activities that will be implementing or supporting the transfer program. It will outline the inspection/formal briefing schedule, provide a rough agenda, and solicit ideas/suggestions from the supporting activities. The message will request points of contact within each organization to facilitate visit/briefing arrangements and any schedule adjustments that may become necessary. Additional information is included to help with planning.

*c. Ship Inspections and Briefings*

(1) **Inspections.** Each ship offered for transfer is required to be physically inspected by the foreign country officials so that the foreign government representatives can assess the physical condition of the ships. It also serves to introduce the custodial activity to the foreign Navy and the FMS/FML transfer process. The inspections are normally held at fleet locations.

(2) **Briefings.** Following the ship(s) inspections, formal transfer briefings will be held at Navy IPO/NAVSEASYS COM within the following one or two days. These briefings are held to:



1. Outline the transfer process in detail,
2. Establish a general transfer plan,
3. To discuss technical details on the key systems and equipment on the ships together with the available training and follow-on support.

Information gathered during these exchanges will be important in the development of lease/sale agreements, the transfer plan and LOAs used to provide services/support.

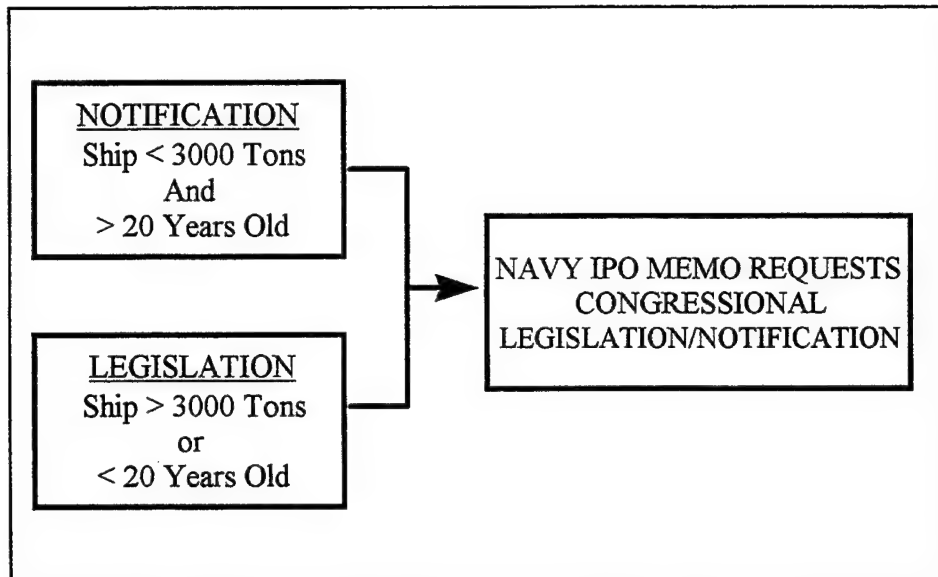
(3) **Formal Country Commitment.** The Navy IPO will solicit a formal commitment from the foreign government that they are interested in pursuing the ship transfer. Normally, the country response is in the form of an LOR. Having seen the ships and been presented with the facts and costs associated with the sale or lease, each foreign government must decide if they have the assets necessary to succeed.

*d. Congressional Process and Initiation of the Transfer*

The actual implementation of the transfer by the Navy IPO, follows the progress mentioned in the above paragraphs. The main steps in this phase are, to assign an Implementation Agent, obtain the Congressional approval, and develop the LOAs which are required to support the transfer.

(1) **The Implementing Agent and Timetable.** Although the assignment of the Implementing Agent is generally clear prior to the formal ship transfer briefings, the official assignment normally comes after the foreign government confirms their commitment to continue the transfer. The Navy IPO announces the assignment with a general outline of the transfer timetable.

(2) **Congressional Notification/Legislation.** One of the most important stages in the process is obtaining of Congressional approval for the ship transfer. The Congressional requirements and legislative procedures are stated in Title 10, U.S. Code, Article 7307 (The basic provisions of this public law are shown in Figure 5). The information is also found in Chapter 2 of the Security Assistance Management Manual (SAMM).



**Figure 5. Title 10, U.S. Code, Article 7307**

(a) **Legislation.** According to article 7307 (b)(1), a Naval vessel that is in excess of 3000 light tons or less than 20 years of age may not be transferred to another nation, unless approved by law and enacted by Congress. Congressional clearance starts with committee actions undertaken by: the Senate Foreign Relations Committee, the House Foreign Affairs Committee, the Senate Armed Services Committee, the House Armed Services Committee, and other committees with oversight interest. When all of these political hearings are completed, the proposed bill is voted on by the House and Senate. Finally, with the signature of the President, enacting legislation is completed. The main disadvantage to this process is that enacting legislation can take 5-7 months or longer.

(b) **Notification.** Under article 7307(b)(2), a Naval vessel that is less than 3000 light tons and greater than 20 years old may be transferred only after the SECNAV has notified Congress in writing of the proposal transfer and 30 days of continuous session of Congress have expired without legislation objecting to the proposed transfers.

## **B. BACKGROUND ON SHIP TRANSFERS TO TURKEY**

By the end of the cold war, nearly all of the western countries reconsidered the size and role of their armed forces with respect to the new order of the world and threat perceptions. As an outcome of this analysis, in late 1991 NATO also started a new force structure buildup and established close relations with the former "Warsaw Pact" countries. While the global war scenarios were losing their importance to the regional conflict scenarios (uncertainties and unpredictabilities), armed forces were changing to adopt themselves to the new missions and tasks of the new order.

Turkey was and still is one of NATO's most important members. Turkey is physically located in the most sensitive geographical location of the globe. This geographical importance along with the new order of the world directed Turkey to modernize its armed forces as:

1. Mobile,
2. Less manpower oriented, and
3. Powerful enough to counter any aggression which might occur in her area of responsibility to the extent of her area of interest.

The Turkish Navy's main forces are divided into Surface Action Groups which consist of frigates and destroyers. The frigates consist of the MEKO-200 class frigates (accepted as one of the most capable frigates of the modern naval forces throughout the world) which were built in Germany and Turkey, and Knox class ex-US frigates. The destroyers are ex-US Gearing class destroyers (built during the World War II era) which completed their useful lives decades ago.

## **C. THE INITIATION OF THE "PERRY" TRANSFER TO TURKEY**

The idea of transferring Perry class frigates to Turkey goes back to 1994. It was first mentioned by Admiral J. M. Boorda, CNO of U.S. at the time, in his official letter to Admiral Vural Bayazit, Commander-in-Chief, Turkish Naval Forces in November 21, 1994. In his letter Admiral Boorda offered to transfer

USS ANTRIM (FFG 20) and USS FLATLEY (FFG 21) to Turkey, subject to Congressional approval.

In response to that offer and after several correspondences between the two Navy Headquarters, these ships were inspected by a Turkish team on January 1995, and following this inspection, the U.S. Navy was notified that Turkish Navy was interested in the transfer of those ships to Turkey.<sup>23</sup> During the negotiations, a third ship, USS SPRAGUE (FFG 16) was also offered by the U.S. Navy on April 1995 and this ship was also inspected by a Turkish team the same month and the transfer of this ship also accepted by the Turkish Navy. The initiation of the transfer process is shown on Figure 6.

#### **D. TRANSFER PROCESS**

##### **1. Work Definition Conferences (WDC)**

a. The first conference between the two parties was held in July 1995. In this meeting, the issues related to the transfer of FFG 16 were mentioned and the following decisions were reached:

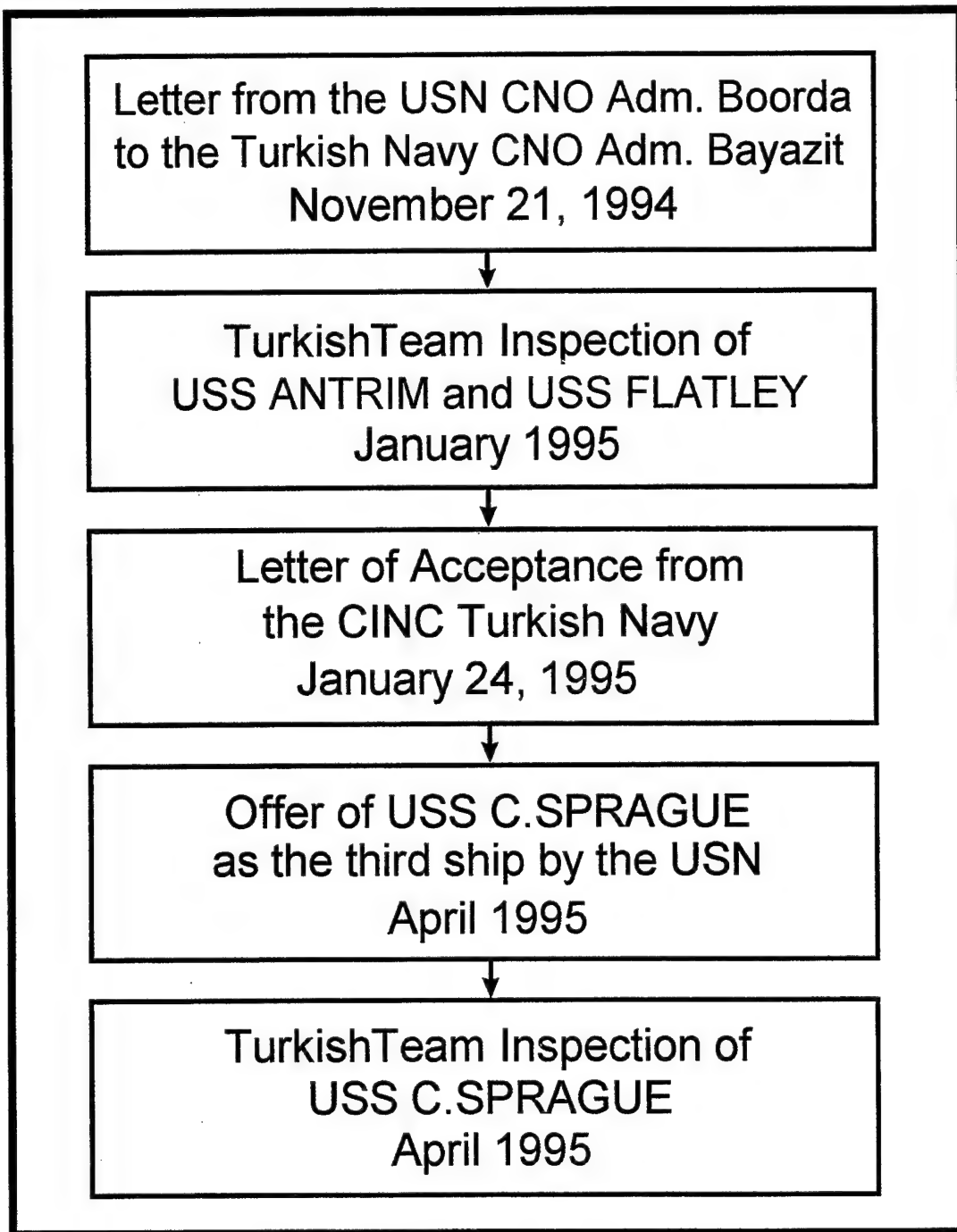
1. Reactivation will start on July 19, 1995,
2. The required resources will be transferred,
3. A Turkish team will be sent to U.S. to participate in the reactivation process.

As a result of this conference, a Turkish crew was sent to Norfolk in July 1995 to help reactivation of the USS SPRAGUE (which was named TCG GAZIANTEP by the Turkish Navy).

b. The second conference between the two parties took place in August 1995. During this conference the U.S. officials stated that, the Congressional approval was expected on October 16, 1995 and the transfer ceremony could be held on October 18, 1995. The dates of the rest of the Turkish crew's arrival and reactivation work schedule was revised by Turkey to meet those dates.

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<sup>23</sup>Letter by CINC Turkish Navy, dated January 24, 1995.



**Figure 6. Initiation of the Transfer Process**

c. The other issues negotiated during these conferences and follow-up meetings were as follows:

1. Ships will be transferred in "hot ship" status.
2. The required training for the crew was planned and the training courses started by September 1995.
3. The transfer port will be Pensacola.<sup>24</sup>
4. The Ship Alteration Repair Program (SARP) documents for the first two ships are told to be completed by February 1996.<sup>25</sup>

d. The third WDC was held on February 1996. In this meeting the important issues discussed and the results of the meeting are briefly given below:

1. The Defense Authorization Bill became Public Law on February 10, 1996. U.S. authorities stated that the transfer could occur as early as the end of March 1996 unless it was disapproved by a joint resolution of the Congress.
2. Ships will be moved to Pensacola in early March 1996.
3. Ships will be transferred in "Hot Ship" status as it was stated in previous meetings.
4. The Turkish crew of the first two ships will start to be sent by March 1996 and these personnel will get Underway Team Training (UTT) in order to get ready to take over the ships after the transfer ceremony.
5. After the transfer of the ships to Turkey, ships will move to Norfolk for Refresher Training and a short maintenance.

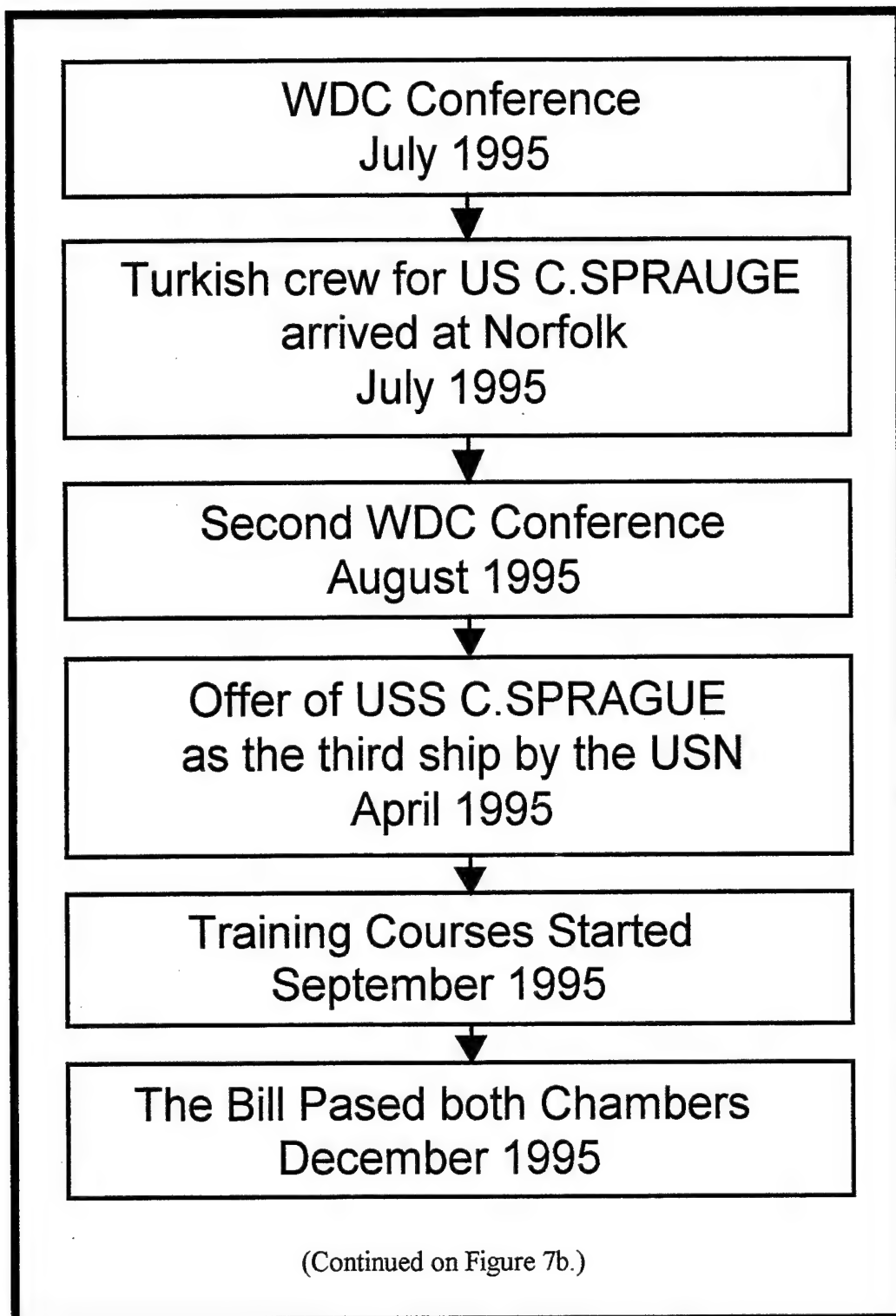
## **2. Legislative and Congressional Process and Outcomes**

The frigate legislation was submitted to the Congress as an attachment to the Defense Appropriations Bill for 1996. The legislation also included ship transfers to the Governments of Bahrain, Egypt, and the United Arab Emirates. Because the Appropriations Bill was delayed the U.S. Department of Defense was being funded on a continuing resolution through November 13, 1995. The transfer process is shown in Figures 7a and 7b.

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<sup>24</sup>Office of Defense Cooperation/Turkey (ODC/TU), NAD/SURF/549 (12-8b), December 15, 1996.

<sup>25</sup>Office of Defense Cooperation/Turkey (ODC/TU), NAD/SURF/030 (12-8b), January 22, 1996.



**Figure 7a. Transfer Process**

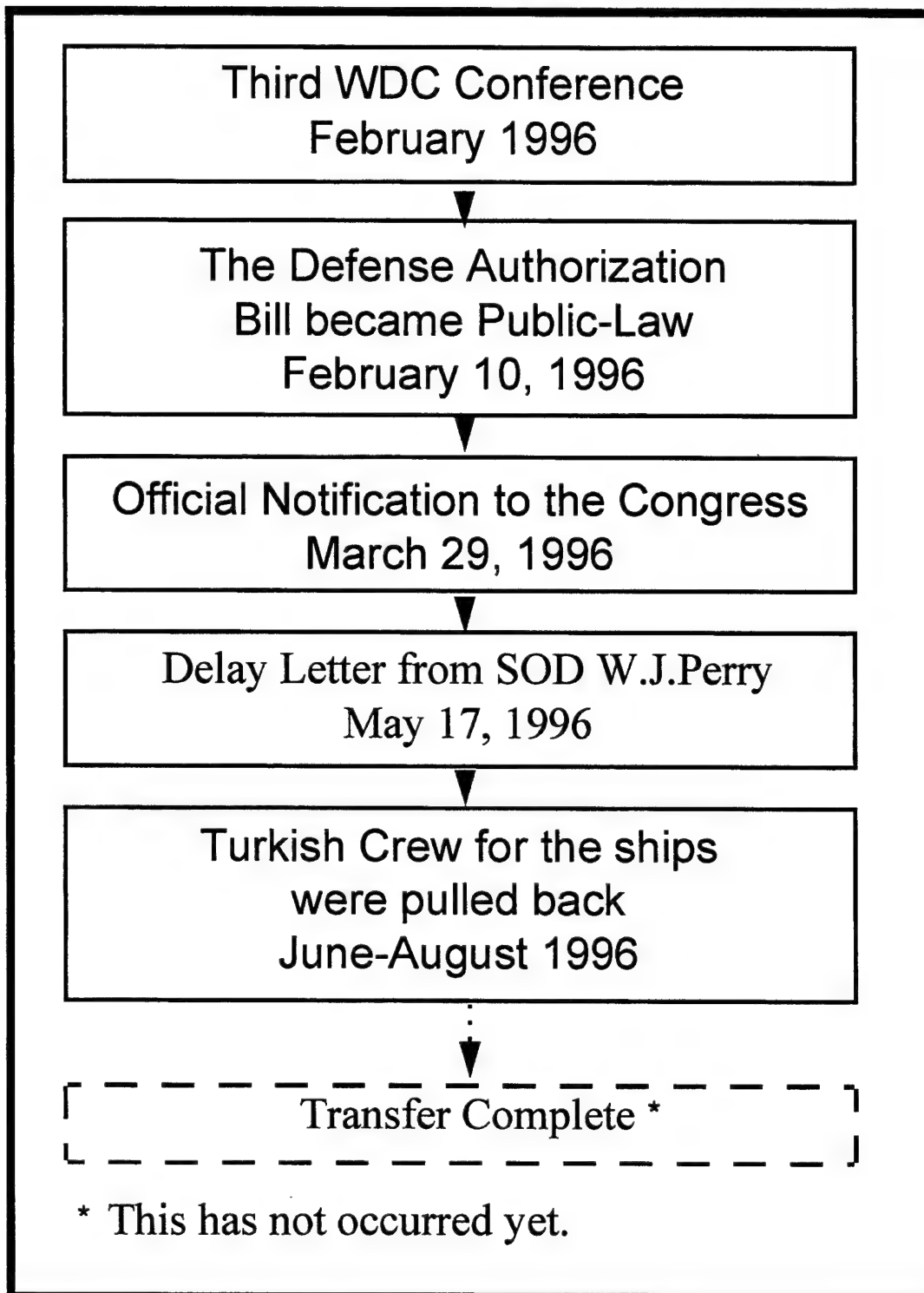


Figure 7b. Transfer Process (Cont.)



At this time, there were differences between the Senate version of the bill and House version. The Senate version of the bill approved the transfer of the frigates as a grant under the Southern Region Amendments (SRA).<sup>26</sup> However, the House version required that the frigates be transferred as either a lease or a sale.<sup>27</sup>

The requirement for 30 day statutory notifications to Congress were waived in previous transfer legislation. Indications were that the waiver would not be allowed for the FFG-7 transfer package, the Navy International Programs Office (IPO) was advised to plan on the 30 day notification requirements. The IPO had prepared the required documentation, and was ready to forward authority to DSAA for processing as soon as the transfer legislation was signed.<sup>28</sup>

In December 1995, the bill passed both chambers of Congress after it was recommended by the Defense Appropriations Act Conference Committee which stated that USS ANTRIM (FFG 20) and USS SPRAGUE (FFG 16) would be transferred on a grant basis while USS FLATLEY (FFG 21) would be leased.

After the Defense Appropriations Bill of 1996, which the frigate legislation was attached to, passed both Chambers on December 19, 1995, it became Public Law on February 10, 1996.

Official notification to the Congress was provided on March 29, 1996 by the Defense Security Assistance Agency (DSAA).<sup>29/30</sup> The transfer of the ships to Turkey was legalized following the 30-day period.<sup>31</sup>

During the 30 day notifications period, in their letter dated 11 April 1996, the U.S. Navy IPO stated that their best estimate for when the ships will be available for transfer was 15 May 1996. Following this information, the Turkish

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<sup>26</sup>National Defense Appropriations Act for Fiscal Year 1996 (Placed in the Senate) Sec. 1012.

<sup>27</sup>National Defense Appropriations Act for Fiscal Year 1996 (Introduced in the House), HR 2348 IH.

<sup>28</sup>DoN, Navy International Programs Office, 4920 Ser 262C/5U601726, dated November 8, 1995.

<sup>29</sup>Defense Security Assistance Agency (DSAA), letter Ser I-01866/96, March 29, 1996.

<sup>30</sup>Defense Security Assistance Agency (DSAA), letter Ser I-02347/96, March 29, 1996.

<sup>31</sup>Public Law 84-1028 (Title 10, United States Code) Chapter 633.

Navy authorities notified the U.S. Navy IPO that 17 May 1996 and 20 May 1996 were suitable for the conduct of transfer ceremonies. In order to participate to the transfer ceremonies and to participate in the Underway Team Training (UTT), more than 100 of the crew for the two frigates, USS ANTRIM (FFG-20) and USS FLATLEY (FFG-21) were sent to USA on May 9, 1996. These crew participated in UTT, including underway training about two days a week, and also live firing training for one month.

Following the notification to the Congress, the transfer process unexpectedly slowed down. Although the legal 30 day period was completed without any objection from the Congress, the information exchange between the two governments, related to the transfer of the frigates, was unexpectedly slowed down at this stage with exception of some letter exchanges at the Ministerial level.

In his letter to the Turkish Minister of National Defense Oltan Sungurlu, dated 17 May 1996, the U.S. Secretary of Defense William J. Perry stated that "...we have been faced with a negative reaction from some members of Congress which has delayed Congressional approval of transfers...."<sup>32</sup>

Meanwhile, it was heard that Senator Paul Sarbanes (D-MD), a Greek-American, had brought an issue to the Senate stating that this transfer will escalate tensions in the Aegean sea between Turkey and Greece. Senator Sarbanes, a stout ally of his ancestral home, enlisted the help of his colleagues to block the transfers.<sup>33</sup>

Following that unexpected development, the Turkish Minister of Foreign Affairs Office authorities were informed by their counter U.S. officials that the technical and logistical process for the transfer of the ships will be terminated until further notice.

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<sup>32</sup>Letter from the U.S. Secretary of Defense William J. Perry to the Turkish Minister of National Defense Oltan Sungurlu dated May 17, 1996.

<sup>33</sup>Jack Dorsey, "Turkey Might Not Get Promised Ships," the Virginian-Pilot (Norfolk, VA), August 8, 1996.

Although no official explanation was provided to the knowledge of the author of this thesis, the military confrontation occurred between Turkey and Greece over sovereignty of a disputed islet in the Aegean Sea called "Kardak" during the last week of 1995 had an important input to this development, as the coming year (1996) was an election year in the U.S.

Following these unexpected delays, all of the Turkish crew sent for training and transfer ceremonies returned to Turkey by August 1996.

The transfer of the three ex-U.S. frigates (an important opportunity for the modernization efforts of NATO forces in the southern flank, which was started by the CNO of USN and CINC of the Turkish Navy nearly two years ago) was left to a further time.

#### **E. SUMMARY**

The transfer of U.S. Navy ships to foreign countries mainly occurs through Foreign Military Sales (FMS). As a policy, the transfer of the ships to other nations should be at no cost to the U.S. Government. However, the maintenance of the ship prior to the transfer is funded by the U.S. Navy's budget. The ship transfers are initiated by Navy International Programs Office (IPO) and OPNAV after the approval of the Ship Disposition Review (SDR). After the approval by SECDEF to extend the transfer offers, the formal ship offer is made by a letter from the USN CNO to the foreign navy CNO. This offer is subject to the Congressional approval.

The offer of transferring three Perry class frigates to Turkey was initiated on November 1994 with a letter from the USN CNO to the CINC of Turkish Navy.

The Congressional notification of this transfer was provided to the Congress on March 29, 1996 by the Defense Security Assistance Agency (DSAA). The transfer of the ships were approved following the required waiting period of 30 days without any objection from the Congress. The estimated transfer date was 15 May 1996; however, the process slowed down unexpectedly around mid 1996 and the transfer has not occurred yet.

#### **IV. ANALYSIS OF THE TRANSFER PROCESS WITH RESPECT TO THE FMS PROCEDURES**

##### **A. INITIATION OF THE TRANSFER PROCESS**

A letter of offer was drafted by OPNAV in coordination with the Navy IPO, signed by the USN CNO, on November 21, 1994. This letter was forwarded to the CINC of the Turkish Navy. This offer to undertake the ship offer had included several points:

1. Identified the specific ships offered.
2. Defined the contacts for inspection visits and,
3. Most important of all, it stated that the offer was subject to Congressional approval.

This letter of offer was procedurally in line with the process required by the Security Assistance Management Manual (SAMM). The corresponding letter by the Turkish Authorities, dated 28 November, 1994, stated the Turkish Navy's interest in the offer and would accept the frigates subject to the results of the inspections by Turkish officials. This letter was signed by The CINC of the Turkish Navy and this was also procedurally correct.

##### **B. SHIP INSPECTIONS AND TURKEY'S FORMAL COMMITMENT**

Although the normal process states that, after the Navy IPO works with NAVSEACOM, INACTSHIPSCOM NAVSUPSYSCOM, NETSAFA and appropriate systems command organizations, the IPO develops a schedule that will allow inspections of ships and follow up formal technical briefings in an orderly fashion over the next 6-8 months. In this case, the inspections were able to start in two months. This shortened period had no negative impact on the process, but accelerated progress and helped both navies transfer information while the ships were still in hot ship status. Also, the formal transfer briefings were held following the inspections, and an agreement reached between the parties at the

conclusion of these meetings in the second half of January 1995. At this stage, the process was going well and was ahead of schedule.

### **C. REVISION OF THE TRANSFER AGREEMENT**

At the beginning of 1995, the Turkish Navy stated their interest in the transfer of another Perry class frigate under FMS. Although this third ship was on active duty at that time, the decision was made to deactivate it in a short time.

The accelerated response and decision process for the transfer of this third ship was important because, if the transfer was made available before the deactivation, this would save money, which could be spent for reactivation.

Following the legal process similar to that of the first two ships, the third ship was included in the same transfer package approved on April 1995 and the reactivation requirement for this ship was prevented. By the second half of 1995, the transfer process was on track and progress was better than expected.

### **D. CONGRESSIONAL PROCESS**

#### **1. Transfer Authorization Bills**

The authorization for the transfer of the frigates to Turkey, with other ship transfers to other countries, was introduced in the House and Senate of the 104<sup>th</sup> Congress as an attachment to the Defense Appropriations Bill for 1996.

##### ***a. The Bill in the House of Representatives***

The bill in the House of Representatives, (numbered HR 2348 and dated September 18, 1995) gave the Secretary of the Navy authorization to transfer the three frigates to Turkey. The transfers were going to be as either a lease or a sale. The expiration of authority of the bill was stated as after two years beginning on the date of the enactment of the Act.

***b. The Bill in the Senate***

Similar to the bill presented in the House, the Senate version of the bill (S.1026/1995) was placed at about the same time. There were no major differences between the two bills, however, the Senate version of the bill stated that the transfers were to be made by grant status.

***c. Enactment of the Defense Appropriations Bill***

The bills passed both chambers of the Congress on December 19, 1995. The difference was solved by stating that two ships were going to be transferred on a grant basis, the third on a lease basis. The bill became Public Law on February 10, 1996. The consensus reached in the Congress and the positive progress achieved in the legislative branch was proof that the transfer process was going well.

**2. Congressional Notification**

The Appropriations Bill of 1996, which included the transfer legislation, was delayed nearly four months. During this period, however, the transfer process carried on and the required preparations were made to avoid further delays. Any delay would cause additional expenses for either the maintenance of the ships or for the accommodation of the Turkish crew who were sent for training.

The Navy International Programs Office (IPO) had prepared the required documentation for the notification of the transfer for Congressional approval and was ready to forward authority to DSAA for processing as soon as the bill became Public Law.

Once the bill became Public Law, the official notification was provided to Congress on March 29, 1996. This notification was signed by Mr. H. Dlehl McKalip, the Acting Director of the Defense Security Assistance Agency (DSAA). The notification was sent to the following Committees in the Congress:

1. House Committee on Appropriations
2. House Committee on National Security
3. House Committee on International Relations
4. House Appropriations Subcommittee on Foreign Operations
5. Senate Committee on Appropriations
6. Senate Committee on Foreign Relations
7. Senate Committee on Armed services
8. Senate Appropriations Subcommittee on Foreign Operations.

Following this notification, the 30 working day waiting period was completed without any objection from the Legislative Branch, and the transfer of the ships was now available without further legal obligations. Everything was going smoothly and as expected.

#### **E. THE DISPUTE OVER THE KARDAK ISLETS IN AEGEAN SEA**

As the transfer of the frigates was nearing completion, two unexpected events, which were closely related with each other, occurred at the end of 1995 and at the beginning of 1996.

##### **1. A Brief Explanation of the Crisis**

On December 25, 1995, a Turkish cargo boat ran aground near an Aegean islet Kardak (or Imia). The process of freeing the cargo boat and towing the ship then became an argument between Turkey and Greece. This incident created a dispute over the sovereignty of the Kardak islet.

On December 29, 1995, the Turkish government claimed that the island Kardak constitutes a part of Turkish territory and that it was listed in the Registry of Deeds of the Turkish province of Mugla. On January 10, 1996, the Greek government rejected the Turkish claim to the islet. By the end of January 1996, the crisis had calmed down and things returned to normal.

## **2. A Bill Introduced to the U.S. Senate**

On April 17, 1996, a bill was introduced to the U.S. Senate by Senator Arlen Specter (R-PA). Mr. Specter submitted a resolution, which was referred to the Committee on Foreign Relations, expressing the sense of the Senate regarding a resolution of the dispute between the two countries over sovereignty to the Kardak islet in the Aegean Sea. In the second version of this bill, dated April 19, 1996, Senator Mikulski (D-NY) joined Mr. Specter as cosponsor.

This bill expresses the sense of the Senate that the governments of Greece and Turkey should:

1. Submit to the International Court of Justice in the Hague their dispute over to the Kardak islet in the Aegean Sea; and
2. Agree to be bound by the Court's decision with respect to the dispute.

Two more cosponsors were added to the bill on April 22 and June 13 respectively. These senators were Mr. Moynihan (D-NY) and Mr. Santorum (R-PA).

The resolution mentioned above might have overshadowed domestic issues and gains for these individuals, especially since 1996 was an election year. However, Turkey and Greece didn't express the same interest. On the contrary, the opinion of these countries was that the decision of going to an International Court was a domestic issue for each country and shouldn't be influenced by a third party.

Although the two events mentioned above were not directly related to the transfer process, the highest executive and legislative branch authorities could have gotten the impression that transfer of three war ships to one of these two countries might affect their objectivity image to the public, causing a negative impact during the approaching election campaigns. I believe it was this impression that caused the delay in the transfer of the three frigates.



#### **F. THE FINAL STEP IS YET TO COME**

Progress during the transfer process of three Perry class frigates to Turkey was achieved successfully by both parties throughout the process up to the actual transfer of the ships. The regulations were strictly followed and every decision was agreed to by the officials of the two governments. However, unexpected and unrelated events occurred during the transfer, halting the process. During this research, the impression that I received was that the transfer will take place in 1997.

## V. CONCLUSION

### A. CONCLUSION

During the cold war era, the U.S. ship transfer program was implemented efficiently to provide mutual gains for trading countries. However, with the end of the Cold War, the mutual threat was changed or re-shaped, and the U.S. sought to downsize its military. As there was no more direct threat to U.S. sovereignty, as it was during the Cold War, the transfer of USN excess ships (or other military equipment) to allied nations was now drawing more attention from individual members of both the executive and legislative branches of the U.S. Government and they questioned the impact on their own interests.

The Turkish Navy embarked upon an intensive program to modernize its ships to bring them in line with emerging technologies. The requirement of Foreign Military Sales (FMS) continues to be one of the most important security assistance programs for modernization and maintenance. The process of FMS management in this case followed a logical sequence of steps over a prescribed timeline. The Arms Export Control Act (AECA) provided the legal basis, for the policies, as expected, and proved to be a sufficient document.

However, analysis of the transfer has shown that even when the regulations and rules (which are in harmony with constitutional requirements) are followed, individual or domestic political concerns might indirectly influence international relations and cause unexpected outcomes or delay progress. The following conclusions were reached after analyzing the transfer issue and the political context of the U.S. Presidential and Congressional elections.

1. The transfer process has not yet been completed because of unrelated events.

2. As 1996 was an election year, the candidates were trying to eliminate any possibility that an event might be used against them, regardless of the legitimacy of the issue.
3. This "no risk taking" approach was the most important cause of delays in the transfer process.

This situation is neither unique to this case nor to the U.S. political system. This type of "foreign relations influenced by individual interests" is to be expected in democratic systems. However, if there is evidence of this to come, parties must officially notify each other of the situation and any possible outcomes.

#### **B. AREAS FOR FURTHER RESEARCH**

The following are additional topics to research and analyze:

1. How the transfer process will be concluded?
2. What might be the long term economical and political effects if the process is completely terminated?

Analysis of the subjects mentioned above will be helpful in better understanding the FMS process and its relation to domestic vs. foreign political relations.

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